

August 14, 2001

TO: Johan Bos-Beijer

FROM: Dottie Kingsley

RE: Welcome back

Welcome back from vacation. I hope it was a very restful and rejuvenating one.

During the past two weeks, Howard Bell and I have had an opportunity to meet with representatives of the Schools and Students Channels. In reviewing the feedback from our meeting with you and the other two Channels, it appears that the analytical needs of SFA consist of two levels and three types.

The two levels are:

- Intra Channel Analyses – These Analyses are focused on supporting the tasks required to manage customer needs and/or the financial portfolio within each Channel or Enterprise unit. They are also focused on identifying the impacts of market, customer, and program trends, changes, and events that only impact the operations of a single Channel or Enterprise unit.
- Inter Channel Analyses – These Analyses are focused on supporting the tasks required to manage customer needs and/or financial portfolios that cut across Channel and/or Enterprise units. They are also focused on identifying the impacts of market, customer, and program trends, changes, and events that impact the operations of two or more of the Channels and/or Enterprise units.

The three types are:

- Limited Scope Analyses – requiring 1 to 4 weeks to complete.
- Moderate Scope Analyses – requiring 1 to 3 months to complete.
- Model Based Analyses – requiring the creation and maintenance of sophisticated models.

A number of the analysis needs identified by you during our July 24th meeting, like identifying shifts in market share and trends due to the initiation of an “E-Sign” or “Amnesty” program, impact two or more Channels and/or Enterprise units. They also require the creation and maintenance of sophisticated models that can be used to identify the impacts of a variety of factors on market share and trends. I agree with you that the Program Analysis Division should ultimately have the ability to construct and run these types of models. However, in the short run I have identified four Inter Channel, Moderate Scope Analyses that can enable SFA to ensure program integrity and help it do a better job of learning more about both its customers and market trends without the steep ramp up of staff and resources needed to engage in Model Based Analyses.

Among the Inter Channel and Moderate Scope Analyses that I have identified are:

- NSLDS Data Quality Analysis (See attached memo on this topic)
- Student Eligibility/IRS Matching
- Reauthorization studies
 - Default & Loan Repayment Behaviors
 - Applicant Income Changes Over Time (“prior, prior year data”)
 - Profile Potential Students Who Do Not Receive Aid
 - Projecting the impacts of reauthorization issues proposed by others
- Development of program reporting and analytical capabilities management

The first of these analyses, the NSLDS Data Quality Analysis, is one in which you might be very interested. Similarly the Student Eligibility/IRS Matching Analysis is one that might have significant repercussions on how each of the Channels does business in the future. While some of the Reauthorization studies may not be on your “top ten” list, each of them has the potential to influence upcoming legislation and therefore has the potential to impact market shifts and trends for the customers of each of the Channels.

I would like the opportunity, in the near future, to meet with you to discuss the priority and timing of the Inter Channel and Moderate Scope Analyses and the timing, priority, and resource requirements for the Inter Channel and Model Based Analyses.

I look forward to having the opportunity to discuss these matters with you in more detail in the near future.